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ANDEAN GROUP DEPLORES EMBASSY ATTACK IN GUATEMALA

PA041738 Madrid EFE in Spanish 1735 GMT 2 Feb 80 PA

[Text] Quito, 2 Feb (EFE)--The Andean Group, made up of Bolivia, Colombia, Ecuador, Peru and Venezuela, today jointly expressed its "profound concern" over the events leading to the 39 deaths at the Spanish Embassy in Guatemala.

In a communique published at noon simultaneously in the five capitals of the regional group, the Council of Foreign Ministers (the political arm of the Andean Group) stated that it deeply regrets "the acts of violence perpetrated against the Spanish diplomatic seat" in that Central American country.

The foreign ministers of Bolivia, Colombia, Ecuador, Peru and Venezuela also expressed their solidarity with the Spanish Government.

The communique also emphasized the Andean countries' concern over the "frequent risks to which diplomatic missions and their staffs are exposed."

The Council of Foreign Ministers concluded its document by reiterating its commitment to respect the rules that guarantee the operation of embassies and the safety of diplomats "for the promotion of coexistence and peaceful relations among states."

This pronouncement by the five Andean Pact signatory countries is believed to be the result of an initiative by Venezuelan Foreign Minister Jose Alberto Zambrano, who yesterday began contacts with his colleagues in an attempt to establish a common front regarding the events in Guatemala.

The Venezuelan minister had said in Caracas that these events form part of a very serious picture.

In a message sent to the Spanish Government before he signed the Andean countries' joint statement, the Ecuadorean foreign minister said the "fatal incidents" at the Spanish Embassy in Guatemala "go against the elementary principles of the rights of man."

The Andean Group, considered the most dynamic and efficient regional integration group in America, played a determining role in the overthrows of the Somozist regime in Nicaragua and of Colonel Natusch's military regime which attempted to halt the constitutional process in Bolivia.

VARIOUS PARTIES CONDEMN SALVADORAN REPRESSION

PA070229 San Salvador LA CRONICA DEL PUEBLO in Spanish 4 Feb 80 p 1 PA

[Text] "As the 70's ended with the liberation of the Nicaraguan people, so the 80's will begin with the liberation of the Salvadoran People." This is what the final declaration signed by representatives of 21 Latin American political parties in La Catalina, Costa Rica, stated.

The final declaration was announced on Saturday by representatives of some parties in San Jose who are now in San Salvador.

Some of the ideas expressed in the declaration are as follows: "The Salvadoran crisis and the broadening and continuing general crisis of the area's agricultural export model in its original oligarchic form reveal the extent of crisis in Central America.

A stubborn oligarchy, one of the most punitive on the American Continent, wants to maintain its economic and political privileges through a repressive apparatus composed of various police and paramilitary corps and of a traditionalist and reactionary sector of the Salvadoran Armed Forces. Political and ideological persecution, mass murders, tortures and imprisonment are criminally practiced by this oligarchy that has oppressed the Salvadoran people with the support and intervention of U.S. imperialism whose interests it serves.

"Our parties, understanding the heroic and revolutionary struggle of our Salvadoran brothers, call on world public opinion, international and political organizations and democratic governments to express their militant solidarity to bring an end to the reactionary and criminal repression and to the victory of the just cause of the Salvadoran people. This solidarity must not only be moral but also political and material, as it was in the specific case of Nicaragua.

"We express our trust in the human strength of the people of El Salvador, in their democratic and revolutionary organizations, in their capacity as strugglers and in the democratic and popular essence of their liberation process. This process depends on the active participation of the National Revolutionary Movement (MNR), a humane party with which we feel solidarity because of its efforts to promote, as other organizations do, the democratic and revolutionary changes that the political and social crisis this Central American country is going through requires.

"We are aware that victory can only be attained with the unity of all the popular forces, and that only with this unity will the social cost in human lives be reduced in this bloody crisis for which the Salvadoran oligarchy, allied with the reactionary sectors of the armed forces and to imperialism in defense of its minority interests, is responsible.

"We believe that the participation of any political party, which could be characterized internationally as democratic, in the process of reinstating a nonviable system of restricted and controlled democracy with reformist formulas and repression that goes against historic trends, harms the Salvadoran people's struggle to reach their objectives of liberty and justice. We, therefore, call on the progressive sector involved in that scheme to rectify that antipopular position immediately."

BRIEFS

NEW PLATE BASIN OFFICIAL--Roberto Ancarola has assumed the post of executive secretary of the River Plate Basin Financial Fund in Sucre, Bolivia. [Asuncion HOY in Spanish 2 Feb 80 p 9 PY]

ARAB DELEGATION REITERATES 'SOLIDARITY' WITH BOLIVIA

PY070228 La Paz PRESENCIA in Spanish 3 Feb 80 pp 1, 15 PY

[Excerpts] Algerian Foreign Minister Mohamed Ben Yahia, heading an Arab delegation which arrived in La Paz on Friday, officially announced that the Arab nations are interested in strengthening relations with Bolivia. Bolivia will increase relations through two channels: through bilateral relations with Arab nations and through the Andean Group. The Arabs are also interested in increasing trade, financial and cultural relations with the Andean Group.

Ben Yahia met yesterday with President Lidia Gueiler and Foreign Minister Julio Garret, with whom he discussed the Arab bloc's interests. He also extended an invitation for a Bolivian official commission to visit the Arab nations and learn about the problems and goals of this bloc.

The Algerian foreign minister said that "our feelings toward Bolivia are of brotherhood and fraternity, and we wish to strengthen relations for mutual benefit." Minister Ben Yahia arrived in La Paz accompanied by four other Arab dignitaries in accordance with a decision of the Arab countries meeting held in Tunis last January. During that meeting the Arabs decided to seek international support "for the inalienable rights of Palestinians." The Arabs seek this support especially in Latin America, a region which has a good understanding of Arabs, according to Ben Yahia.

The Algerian visitor told President Gueiler and Foreign Minister Garret that the Arab nations support the Bolivian request for an outlet to the sea. He stated that "the Arab world will voice its support for Bolivia" when the subject of Bolivia's landlocked situation is discussed in the United Nations. He insisted: "Bolivia has the solidarity of the Arab nations."

With regard to the democratic process, he said that the Arab countries are watching the Bolivian process. "We believe that this process will win, since it responds to conditions and needs." Finally he stated: "The Arabs will cooperate with Bolivian progress and development."

Foreign Minister Garret stated that the Bolivian feeling toward the Arab nations is also one of friendship. He announced that at the end of the delegation's visit a joint communique will be signed "regarding the normalization of bilateral diplomatic relations with Algeria and the strengthening of economic, political and social relations between the two countries." It was officially explained that this will be the first step toward the appointment of ambassadors. Garret expressed his optimism regarding the results of increasing contacts with the Arab world.

EXISTENCE OF 'SUBVERSIVE PLAN' AGAINST GUEILER CLAIMED

PY061410 Paris AFP in Spanish 0248 GMT 6 Feb 80 PY

[Excerpts] La Paz, 5 Feb (AFP)--Interior Minister Jorge Selum Vaca Diez stated here today that "a subversive plan against President Lidia Gueiler is in operation in Bolivia." In statements to the press, Selum criticized Socialist leader Marcelo Quiroga, saying that "it is very easy for Mr Quiroga Santa Cruz and a few other Socialist leaders to criticize all governments. It is more difficult for these gentlemen to do something for the benefit of the country instead of criticizing." The interior minister also told local newsmen that "the government is trying by all means to forestall the subversive preparations, and we are engaged in this task within the framework of our laws and with total respect for the democracy we desire."

PRESIDENT HOLDS MEETING WITH HIGH-LEVEL MILITARY OFFICERS

FY061616 La Paz Radio Panamericana Network in Spanish 1130 GMT 6 Feb 80 FY

[Text] Last night, from 2100 to 0130, President Gueiler had a working dinner with members of the armed forces. We want to point out that during this 4-hour meeting only military, not political, matters were discussed, according to Gen Armando Reyes Villa, commander in chief of the armed forces. Gen Armando Reyes Villa arrived at the government palace at 2100. We asked him for his impression of the political situation of the country and his participation in these talks at the president's invitation. Gen Reyes Villa stated the following:

[Begin Reyes recording] Well, we are attending this meeting at the president's invitation, and not as some political leaders attended earlier meetings at which they formulated the need to create a cabinet composed of representatives of the majority parties in Congress. I cannot say anything else now; perhaps I will after the meeting. [end recording]

The following military officers also arrived at the government palace: Rear Adm (Ramiro Atugasas), commander of naval forces; Gen Ruben Rocha Patino, commander of the army; Gen Jaime Nino Guzman, commander of the air force; Gen Eden Castillo, inspector general of the armed forces; Col Mario Vargas Salinas, commander of the Cochabamba Garrison; Col Raul Delio Molina, commander of the Tarapaca Regiment; Gen Luis Garcia Meza, commander of the military school; the commander of the Colorado Regiment and other senior officers. When he arrived at the government palace, we asked General Rocha Patino how the armed forces could guarantee impartial elections. Rocha Patino stated that the commander in chief of the armed forces has the final word regarding that subject; he is the highest authority. General Rocha's statement was certainly very laconic.

Due to the importance of this meeting, we waited until 0130 in the morning. At the end of the meeting, we again asked General Reyes for a comment since he promised to tell us something. [Begin Reyes recording] According to the invitation extended to us by the president, we had a working dinner during which we discussed only military matters. That is all, thank you. [end recording]

QUIROGA EXPRESSES FEARS OF RIGHTIST COUP

FY060228 La Paz Cruz del Sur Network in Spanish 2330 GMT 5 Feb 80 FY

[Excerpts] The phantom of another coup is hanging over Bolivia. This coup is being prepared by a rightist group to interrupt the democratic process and avoid a definite constitutionalization in Bolivia. These statements were made by leaders of several political groups, among them the Socialist Party No 1 (PS-1) and the Democratic and Popular Unity (UDP).

Marcelo Quiroga Santa Cruz, secretary general of the PS-1 recently met with President Gueiler in order to express his party's fear of a new conspiracy seeking to interrupt the political process in Bolivia. [Begin Quiroga recording] We visited the president especially to tell her that a coup, which is public knowledge, is underway. What we question is how these individuals are carrying out the organization of a new conspiracy without being punished. The government seems to encourage them and reacts inefficiently, without taking the responsibility for stopping the seditious process which threatens the democratic process.

JOINT COMMUNIQUE ISSUED WITH GUINEA

FY060248 Brasilia Domestic Service in Portuguese 2200 GMT 5 Feb 80 FY

[Text] Guinean President Ahmed Sekou Toure and Brazilian President Joao Figueiredo this afternoon issued a joint communique highlighting the main results of their talks. The communique reaffirms the two governments' adherence to the guiding principles in international relations, emphasizing every state's right to sovereignly determine the form of government it deems adequate for the fulfillment of its national aspirations. The two chiefs of state reject every form of racial discrimination, especially apartheid, and reaffirm their conviction that the right to human dignity should prevail.

In the economic sector, the two presidents express their concern over persistent serious imbalances and inequalities between developed and developing countries and regret the lack of real progress in solving such imbalances, noting that protectionist commercial practices implemented by developed countries are highly damaging to the interests of developing countries. They call on developed countries to adopt economic and commercial policies more in line with the needs and aspirations of developing countries and reaffirm their support for the creation of a new, more just and equitable international economic order.

In the area of bilateral relations, the two chiefs of state note the existence of broad prospects for trade and exchange of experience and agree to intensify cooperation in every field. The two presidents agree on the need to open diplomatic missions in their respective capitals as soon as possible. President Ahmed Sekou Toure invites President Joao Figueiredo to make an official visit to Guinea. The Brazilian president accepts the invitation, but the date will be set through diplomatic channels.

FIGUEIREDO DECLARATION OF NEUTRALITY TERMED 'ISOLATIONISM'

FY070214 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 80 p 3 FY

[From the "Notes and Information" page]

[Excerpts] President Joao Baptista Figueiredo could not have found a better-qualified listener than President Sekou Toure for his declaration that Brazil belongs in the Third World. In fact, who else could be better than the chief of state of Guinea--the man who refused to join the French community in 1968 and sought Soviet technical and economic support (withdrawn later) to overcome the isolation to which General De Gaulle condemned him--to be the recipient of the words in which the Brazilian chief of state unambiguously stated his government's affiliation with the Third World and neutrality? Judging by President Figueiredo's speech, possibly not even Marshal Tito deserved such an honor--an even greater honor since Brazil, in the words of its president, clearly wants to remain outside the international situation thrown into confusion by the great powers and claims that the formation of "legitimate, real and just mechanisms for economic and social development" is a condition for peace, not the containment of Soviet expansion toward the Persian Gulf.

The presidential speech deserves special attention not only because it firmly links Brazil to the Third World, but because it isolates Brazil by rejecting any kind of commitment, prior or otherwise, to the positions of the West in its conflict with the Soviet Union. The adherence to the Third World could be construed as a rhetorical reprisal for the pressure the United States exerts against us by revoking privileges customarily granted to developing countries.

This neutrality, if not isolationism, cannot be understood at a time when the entire non-Soviet world--from the United States to the PRC--has taken a strong stance against the Soviet Union as the only way to prevent all nations, whether large or small, from being forced to face faits accomplis and to accept "imposed solutions."

The current military government, which will not be the last, is giving a strange lesson on international morality and strategy: It breaks away from the West to seek solidarity with the Third World--the cornerstone of modern history--and it does so because the country is rather underdeveloped, defenseless and needs the West for its trade, financing and protection of its route through the Indian Ocean and the Cape of Good Hope. We can see now that the seeds of General Goodpaster's mission were sown on rocky ground.

FINANCE MINISTER GIVES 1980 FOREIGN DEBT FIGURES

PY060231 Brasilia Domestic Service in Portuguese 2200 GMT 5 Feb 80 PY

[Text] Finance Minister Erlane Galveas has regarded as speculation reports that this year Brazil will need a total of $15 billion in foreign loans. He stated that his basic work plan calls for a total of $12 billion in foreign loans for both public and private enterprises. He added that the service of previous loans will require $7 billion this year. He noted, however, that the service of these loans may drop to only $5 billion if they are compensated for with new loans.

Commenting on the increased interest rates now charged by the World Bank, he said that this will affect only future loans in accordance with the nature of each project. He believes that Brazil will not necessarily change the source of its loans in view of the World Bank's increased interest rates, since the price of Brazilian export products will increase accordingly and an automatic compensation will thus take place.

1980 FINANCIAL LIMITS SET FOR FEDERAL ENTERPRISES

PY070026 Brasilia Domestic Service in Portuguese 2200 GMT 6 Feb 80 PY

[Text] President Joao Figueiredo has set a ceiling of 3.184 billion cruzeiros on the amount to be spent this year by the 60 major federal enterprises and their subsidiaries. He made the decision at a meeting held today by the Economic Development Council at which he approved a proposal submitted by Planning Minister Delfim Neto and Finance Minister Ernane Galveas. State enterprises must cover 80 percent of their total expenditures with their own income; financing, loans and transfers from the national treasury are limited to 20 percent of the total.

In their preamble, Ministers Neto and Galveas stated that the proposal is designed to provide guidance to state enterprises for intensifying the use of their own resources, for achieving greater effectiveness and for reducing their dependency on resources provided by third parties. The measure is also designed to reconcile the need to curb inflationary pressure and the deterioration of the debt status--especially the foreign debt--with the need to preserve the state enterprises' dynamism and the pace at which jobs are created in the economy.

Regarding the private sector, the 1.147 billion cruzeiro ceiling set for investments by state enterprises will allow businessmen from the various sectors to safely plan their own activities.

The presidential measure also sets a ceiling for foreign loans to be obtained by state enterprises. These loans should be nearly 30-percent lower than the payments scheduled for servicing previous loans. It also sets general and sectorial ceilings for loans by the public sector in 1980.

FOURTH NUCLEAR PLANT TO BE BUILT IN SAO PAULO STATE

PY061241 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Feb 80 p 1 PY

[Text] The fourth Brazilian nuclear plant will be built on the coast of Sao Paulo State, between Iguape and Peruibe, according to studies conducted by the Brazilian Power Companies Inc [ELETROBRAS] and the Sao Paulo Power Plants [CESP]. The two enterprises have surveyed 10 areas (one in Belo Horizonte), and a Sao Paulo beach will be chosen for three main reasons: First, it is a sparsely populated region; second, it offers access for the unloading of equipment; and third, it is close to major consumption centers. ELETROBRAS has not yet officially announced its decision, among other reasons, because it has not yet decided who will build the plant--CESP or the Brazilian Nuclear Corporation.

PLANNING MINISTRY LOANS TO STIMULATE BEAN FARMING

PY061935 Rio de Janeiro O GLOBO in Portuguese 5 Feb 80 p 1 PY

[Text] The Brazilian Government announced yesterday a set of measures aimed at increasing the production of beans in order to lower prices. Starting with the next crop, coffee, sugarcane, corn, rice and soybean farmers requesting agricultural loans will be required to assign 5 percent of their farmland to beans. This decision was announced yesterday by Planning Minister Delfim Neto and Agriculture Minister Amaury Stabile, during a meeting with leaders of bean farming cooperatives and regional agriculture secretaries.

The measures are aimed at doubling the area allocated to bean cultivation, which is currently between 250,000 and 300,000 hectares. In order to encourage the farmers to increase the land assigned to beans for the "dry season harvest," the Planning Ministry has decided to maintain the interest rate for loans at 15 percent, and that it will not be necessary to prove that certified seeds and fertilizers have been used to obtain agricultural insurance. Delfim Neto ordered the Banco do Brasil to release the loans requested by bean farmers on the same day they request them. The minister stated that the price of beans will decline if there is a good "dry season harvest."

BRIEFS

PARANA RIVER FLOODING--In the northwestern region of Parana State, the Parana River has risen 5 meters above its normal level, flooding adjacent croplands and leaving nearly 5,000 people homeless. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 29 Jan 80 p 40 PY]

PLANES SOLD TO BELGIUM--The Air Ministry has reported that the Brazilian Aeronautics Company has sold five Xingu planes to Belgium at an estimated cost of $1.5 million each. According to Air Ministry officials, the fact that Belgium has purchased this type of plane is very significant, not because of the size of this financial transaction, but because of the increasing credibility of the Xingu planes in the international market. [Text] [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 31 Jan 80 PY]

OFFICIAL ASSAILS U.S. REPORT ON HUMAN RIGHTS

PY070104 Paris AFP in Spanish 2353 GMT 6 Feb 80 PY

[Text] Santiago, Chile, 6 Feb (AFP)--A Chilean Foreign Ministry spokesman stated here today that the report released by the U.S. State Department on human rights in Chile "is contradictory, frivolous, lacking objectivity and astonishing." The government spokesman also indicated that the publication of that document by the U.S. Government is not in keeping with usual practices among nations.

The U.S. State Department report was released at the beginning of this week as part of a broader report on the problem of human rights throughout the world. Regarding Chile, the report indicates that in this country the arbitrary detention of citizens and torture were still a problem in 1979. It adds that in Chile there are approximately 100 political prisoners, that the basic rights of expression and association are restricted and that political parties are still formally proscribed.

According to some cable reports, the U.S. report cites as an example the Santiago government's refusal to investigate and bring to trial three military officers charged by the United States with being involved in the Washington, D.C., murder of U.S. sociologist Ronnie Moffit and Chilean Socialist President Salvador Allende. [as received]

The Chilean Foreign Ministry spokesman today told the press that the report is contradictory because it also recognizes that there has been considerable improvement regarding respect for human rights in Chile. He also indicated that the report is marked by levity when it refers to "political prisoners," since all persons detained due to anti-government activities are facing trial, a fact excluded from the report.

Regarding torture, the official spokesman stated that the same U.S. Government indicated in 1978 that such practices are past history in Chile. He added that the report causes astonishment because it shows complete ignorance of the real situation in Chile, "since it overlooks the fact that what was happening in Chile in 1973 (the year in which the current military government was established) was an irreversible process of seizure of total power by the Communist Party," he concluded.

NEW DECREE ISSUED TO COUNTERACT LEFTIST ACTIVITIES

PY061902 Santiago Chile Domestic Service in Spanish 1630 GMT 6 Feb 80 PY

[Text] Interior Minister Sergio Fernandez at noon today read a communique regarding Decree Law No 3,163, which is published in today's gazette. This law enables the government to decide on the period of confinement of persons who cause disorders, to obstruct any attempts to cause disorders and to offer real protection for the integral establishment of the new institutions.

The new law is being enforced as a result of the renewed activities of outlawed political groups that security organizations have recently discovered.

The communique, which was read by the interior minister himself, states:

Text: The policies adopted by the supreme government at the various national levels have brought about an evident economic recovery and social progress within an atmosphere of peace and order.

The peace and order that exist in Chile today have enabled the president to promote with decisiveness and without pause the establishment of the new institutionality which is now taking shape. So that this institutionality may become a reality, it is indispensable for the authorities to overcome any threat to it. This threat is specifically posed by Marxist imperialism, as its own leaders have recently disclosed, and by other enemies of the fatherland.

This decree law has been issued with the following objectives in mind: to obtain public order, to prevent any attempt to create disorders and particularly to offer real protection for the integral establishment of the new institutionality.

These objectives may be safeguarded through this law without the need to apply extreme measures--such as expulsion from the country--except in unusual cases. The authorities may obstruct the activities of subversive groups by separating their members from their environment or the activities in which they are involved.

In this manner, but without any extreme measures, the government is fulfilling one of its basic duties: that of eradicating any threat to the establishment of the new democracy and insuring the peace and tranquillity that are being enjoyed by all Chileans under the present government.

BRIEFS

JANUARY INFLATION--Santiago, Chile, 5 Feb (AFP)--According to a report issued by the National Statistics Institute (INE), the inflation rate in Chile increased by 2.1 percent in January. The institute, which is subordinate to the Economy Ministry, noted that last year prices went up an average of 38.9 percent. [Text] [Paris AFP in Spanish 1542 GMT 5 Feb 80 PY]

FAVORABLE ECONOMIC SITUATION--A study published by the magazine ECONOMIST FINANCIAL SURVEY states that the economic balance for Chile in 1979 was completely satisfactory despite the problems of unemployment and inflation. The study states that the Chilean economy last year registered highly favorable results, such as in the growth of the annual economic rate, the balance of payments, the increase of international reserves and the government budget. It adds that for the third consecutive year the gross domestic product registered a high level of growth, estimated at 8.5 percent, and that per capita income increased by about 6.7 percent. [Santiago Chile Diplomatic Information Service in Spanish 0327 GMT 5 Feb 80 PY]

LEADING IMPORTERS--The FRG was the main importer of Chilean products during 1979. It was followed by Japan, the United States, Brazil, and Argentina. It must be noted that in 1979 the FRG purchased products totaling $596 million, which is 76 percent more than the previous year. Japan increased its purchases by approximately 50 percent. Europe purchased products totaling $1.57 billion; Latin America, $948 million; North America, $441 million; Asia, $648 million; the Middle East, $41 million and Africa, $2.1 million. [Santiago Chile Domestic Service in Spanish 1000 GMT 6 Feb 80 PY]

AGRICULTURAL, LUMBER EXPORTS--The agriculture minister reported that Chilean exports of farming and lumber products totaled $700 million in 1979, an all-time record. [Santiago Chile Domestic Service in Spanish 1000 GMT 26 Jan 80 PY]

NICARAGUA CHARGED WITH 'ORCHESTRATING DISCREDIT CAMPAIGN'

PA062207 Madrid EFE in Spanish 1521 GMT 6 Feb 80 PA

[By German Acero Espinosa]

[Text] Bogota, 6 Jan (EFE)--Colombia today strongly accused Nicaragua of "orchestrating" an international campaign to discredit it with its neighbors Panama and Venezuela, with whom it is discussing maritime differences.

The president of the House of Representatives Foreign Relations Committee, Ricardo Barrios Zuluaga, maintained in Bogota that "the new Nicaraguan initiative is part of a plan to create tension between Colombia and its neighbors."

Nicaragua early this week declared null and void a treaty signed with Colombia in 1928 and issued a white paper reclaiming the San Andres and Providencia islands, located in the Atlantic Ocean, which Colombia took over more than half a century ago.

"There must be something down deep, because the interests at stake are quite high in regards to the demarcation of marine and submarine areas with Venezuela. What is at stake is the future of energy, of oil, in the vicinity of the Gulf of Venezuela and in Castilletes on the Colombian coast," said Barrios Zuluaga.

He added: "I believe that if the people consider the Colombian position in the talks to establish sea borders with Venezuela, and Panama's intransigence with regard to the Ozores-Vargas Treaty, they will not be surprised to find that this campaign is part of a plan aimed at discrediting Colombia with its neighbors."

The deputy said that "it cannot be mere coincidence that we have considerably tense and delicate situations with three of our neighbors at once."

Barrios said that the Esguerra-Barcenas Treaty signed in 1928 is legal and in effect without a termination date, and it is guaranteed because legal international mechanisms stipulated in the UN Charter would have to be applied for it to lose effectiveness. "And," he explained, "those mechanisms are none other than the Hague International Court to which it can be appealed by means of a formal arraignment and an arraignment based on international law, so that the court can review a treaty which at no time has lost its legal status."

Barrios said that "since that treaty has never been questioned, challenged or replaced by another agreement, the established sea limits between Colombia and Nicaragua in line with the 1928 treaty cannot be ignored on the basis of unilateral statements from one of the parties involved in the treaty, as is the case of the Government of Nicaragua." Relations between Colombia and Nicaragua deteriorated on Tuesday, when Colombia recalled its ambassador in Nicaragua.

Meanwhile, air and sea patrolling over Colombian islets and islands in the Caribbean Sea whose sovereignty Nicaragua claims was intensified today with the dispatch on navy marines to the islands of San Andres and Providencia.

GOVERNMENT-JUSTICE MINISTER, AIDES RESIGN

PA061902 Quito Voz de los Andes in Spanish 1730 GMT 6 Feb 80 PA

[Raul Zambrano report]

[Excerpts] Government Minister Roberto Dunn Barreiro has informed the president of the republic of his firm determination to resign from the post he has held since the beginning of this administration.

In his letter to the president, Dunn Barreiro said: Being sensitive to the political circumstances prevailing in the country and in the belief that the problems of the past few weeks have been resolved, I consider it my patriotic duty to inform you of my firm intention to withdraw from the high-level, delicate functions you saw fit to confer upon me.

Along with his letter to the president, the resigning minister also turned in the accepted resignations of his closest aides. It has been learned that the resignations were accepted by President Jaime Roldos Aguilera. It was also indicated that in the next few hours a new minister will be appointed, possibly Dr Carlos Feraud Blum, present labor minister.

Feraud Blum New Minister

PA070259 Quito Voz de los Andes in Spanish 2300 GMT 6 Feb 80 PA

[Excerpt] This afternoon, at approximately 1700, it was confirmed at the presidential palace that Dr Carlos Feraud Blum has been appointed new government minister. A few minutes before officially learning of his appointment by the president of the republic, Dr Feraud told Voz de los Andes: [begin recording]

[Question] Mr Minister, do you think that political events caused the resignation of the government minister?

[Answer] No. The events you know about, the ones to which you are probably referring, are already part of the past. It is a closed matter. Unfortunately the students took to the streets to confront the police because they were being coerced by some political sectors. They have decided to return to their schools. Therefore the matter is completely over.

[Question] What is keeping you from assuming the post and what do you think about becoming the strongman as a result of the change?

[Answer] Before taking over a post, one must first be appointed to it. My appointment depends on the decision of the president. I have told the president that I will stand by him in whatever position, because he represents a hope for this country that cannot be disappointed. I, therefore, have remained in the Labor Ministry where I have been for almost 6 months. I am prepared to take any other post--whatever the president decides. [End recording]

The politically independent new government minister of the republic, Dr Carlos Feraud Blum, has been labor and human resources minister during the 6 months of the Jaime Roldos administration.

FOREIGN MINISTRY REAFFIRMS COMMITMENT TO RIGHT OF ASYLUM

PA052215 Quito Voz de los Andes in Spanish 1730 GMT 5 Feb 80 PA

[Text] The Ecuadorean Foreign Ministry has expressed its absolute support for the institution of asylum and all its principles and rules.

The Foreign Ministry issued a communique in which it states that, regarding the differences that have emerged between the governments of Venezuela and Cuba with respect to the right of asylum, the Ecuadorean Foreign Ministry, pursuant to one of the basic principles of its international policy--the defense of the right to asylum, prescribed by Paragraph 7 of Article 4 of the basic foreign services law--and in compliance with its international commitments in this area, clearly states:

1. Its absolute support for the institution of asylum and consequently, the Ecuadorean Government's adherence to all the principles and rules by which the right of asylum is applied; and

2. Its hope that a formula of understanding will be found promptly by the governments of Venezuela and Cuba--a formula which, while safeguarding the principles of the right to asylum held sacred by America, will resolve the differences that have emerged between those governments on a matter of such importance to America.

NEWSPAPER HITS POLICE SEIZURE OF BOOKSTORE MATERIAL

PA020441 Quito Cadena Ecuador Radio in Spanish 2300 GMT 1 Feb 80 PA

[Text] Arbitrary methods and practices cannot be implemented under any circumstances as long as we have a constitution which guarantees inalienable rights and liberties, EL TIEMPO stated in today's editorial. The newspaper was commenting on arbitrary measures recently implemented by the police in seizing subversive material from bookstores.

(?Bad measures) only exist for fanaticism and intransigence [words indistinct] for totalitarianism, the morning paper noted. EL TIEMPO noted that the check on bookstores is a violation of the free development of the private sector and could result in conflicts of unpredictable consequences. Regarding freedom of speech and opinion, it ignores constitutional regulations in effect and is contrary to democratic principles, the editorial concludes.

BRIEFS

NUCLEAR ENERGY PROGRAM--Fausto Munoz, Ecuadorean Nuclear Energy Commission executive director, announced that Ecuador is already using nuclear energy in various fields of medicine, agriculture, industry and scientific investigation. In its report submitted to President Jaime Roldos, the Ecuadorean Nuclear Energy Commission says that it is implementing safety measures in the field of nuclear energy in health centers and that adequate measures have been taken to protect professionals and other persons working in this field. The Nuclear Energy Commission report says that radiotherapy programs have been carried out for the past 3 years in Quito, Guayaquil and Cuenca health centers and hospitals. It also has been standardizing equipment and giving technical aid in programming treatment for cancer patients. [Text] [Quito Voz de los Andes in Spanish 1230 GMT 27 Jan 80 PA]

CIVIL GUARD REVOLT ERUPT IN CUZCO, SPREADS NATIONWIDE

PA062232 Madrid EFE in Spanish 2149 GMT 6 Feb 80 PA

[Text] Lima, 6 Feb (EFE)--The revolt begun by Civil Guardsmen in the city of Cuzco extended today to the remainder of the country in the form of passive resistance.

An uneasy atmosphere of tension reigned over the police stations.

In Lima, a reduction in the number of uniformed police on duty was noticeable and they were mostly officers, noncommissioned officers (corporals and sergeants) and rookies who were in charge of surveillance.

Noncommissioned officers and guardsmen were patrolling Lima's streets in groups of five or six, each group accompanied by an officer. In nearby Callao port the absence of duty guards was noticeable.

Most agents of Lima's Civil Guard garrison were quartered after apparently refusing to go on duty as their colleagues in Cuzco, 1,170 km southeast of here, did yesterday. Cuzco is under a virtual state of siege.

According to reports obtained by EFE, in Lima and other cities the guard has adopted an attitude of passive resistance, except in Cuzco where about 600 guardsmen are locked in the recreation center for the lower ranks and in a convent.

Policemen in Puno, a city on the border with Bolivia, reportedly have assumed a similar attitude, depicted in their code as insubordination. This report was not officially confirmed in view of the extreme silence on the part of the authorities.

After ordering the suspension of individual guarantees, the political military command of the Southeastern National Security Zone imposed a "curfew" in the city of Cuzco, the nation's third largest city. The curfew runs from midnight until 0500. Only those with safe-conducts can circulate in automobiles or on foot during those hours.

In an official communique, the military command stated that "the media shall refrain from spreading news that might upset public order" in Cuzco.

The revolt by the lower ranks of the Civil Guard comes 5 years after a police strike that was violently repressed while triggering a wave of looting and arson. The so-called February incident, because it happened on 5 February 1975, was the worst civil disturbance in recent times and was brought about by economic demands and demands for better treatment by the lower ranks. These are the same demands they are making now.

The guardsmen also want Gen Humberto Passano Nieto, supreme director of the guard, to resign, and Guard Jorge Caro Valencia and other colleagues who have pressed for their demands, to be released.

Further Details

PA062322 Madrid EFE in Spanish 2245 GMT 6 Feb 80 PA

[Text] Lima, 6 Feb (EFE)--The superior director and other Civil Guard chiefs have been accused of corruption and abuses. A brother of the highest authority of the institute, Gen Marcelo Passano, is involved in a smuggling scandal and has been arrested and prosecuted.

The newspapers and other news media under state control have not reported anything so far about the new revolt movement in the Civil Guard.

The bulk of the population is unaware of the existence of the official communiques of the Command of the Southeastern National Security Zone which imposed strict measures to control order in Cusco.

Rebellion Said Overcome

PA070103 Madrid EFE in Spanish 0036 GMT 7 Feb 80 PA

[Text] Lima, 6 Feb (EFE)--Gen Juan Estrada Bracamonte, chief of the National Information System (SINADI), today maintained that the outbreaks of insubordination carried out by Civil Guard personnel have been overcome.

In the first official reaction following the rebellion started yesterday by uniformed policemen in Cusco, in southeastern Peru, Estrada said an investigation of the incidents has been started. The SINADI chief, who has the rank of minister, affirmed that the Cusco Civil Guardsmen resumed activities today, thus contradicting reports on the continuation of the rebel movement.

Estrada added it is not true that the guardsmen in Lima were withdrawn to their barracks for expressing solidarity with their colleagues in Cusco. When told that a decrease in the number of policemen in the streets of Lima was noticeable, the SINADI chief replied that this is so because "there is complete calm" in the city.

However, workers of the Peruvian telephone company who are on strike temporarily blocked traffic today in several Lima streets, prompting the mobilization of police armored vehicles and antiriot vehicles to disperse them.

General Estrada also maintained that the situation in Arequipa and Puno is normal and announced that an official communique on the Civil Guard situation will be issued "within the next few hours."

MINISTER OBTAINS FRENCH FUNDS FOR LOCAL PROJECTS

PA062005 Lima EL COMERCIO in Spanish 26 Jan 80 p 1 PA

[Text] Paris, 25 Jan (ANDINA)--Dr Javier Silva Ruete, Peru's minister of economy and finance, has secured a total of Fr 800 million to finance a number of metallurgy, hydroelectric and communications projects.

Dr Silva Ruete's excellent work prompted major international news agencies and French papers to look into Peru's economic recovery.

During a news conference, the minister said the economic recovery plan is parallel to the return to civilian rule.

During the day, the minister held a number of meetings with ranking French officials during which an agreement was reached on the financing of the projects. He also met with executives of the leading French banks, who noted their spirit of close cooperation so Peru's economy will improve soon.

BRIEFS

LOWER INFLATION SEEN--The president of the Peruvian Central Bank stated yesterday that should financial laws be complied with this year, inflation would be reduced to no more than 40 percent per year. He also said that savings will recover and stability of the exchange rate will be attained. [Lima Domestic Service in Spanish 1200 GMT 31 Jan 80 PY]

AMBASSADOR IN GUATEMALA WILL NOT BE WITHDRAWN

PA051332 Paris AFP in Spanish 0441 GMT 5 Feb 80 PA

[Text] Mexico City, 4 Feb (AFP)--The Mexican Government will not withdraw its ambassador in Guatemala in the wake of the incident at the Spanish Embassy in that Central American country, a Foreign Relations Secretariat communique reported today.

It says Mexico has already done what it had to do--regret the incidents and voice its disapproval at the violation of the Spanish Embassy's territory.

Several opposition parties of both the left and the right had asked the government to withdraw the Mexican representation in Guatemala as a sign of opposition to what occurred at the Spanish Embassy there.

PRICE OF OIL TO BE MAINTAINED AT $32

PA050254 Paris AFP in English 0021 GMT 5 Feb 80 PA

[Text] Mexico City, Feb 5 (AFP)--Mexico will not change the price of its exported oil although some other oil-producing countries have increased their charges recently, sources at the Mexican oil company Petroleos Mexicanos said Monday.

The sources [words indistinct] that the firm has a policy of posting its prices every three months, and that for the moment there is nothing to indicate a change in this policy. Mexico is now charging 32 dollars a barrel for exports of Istmo [name as received] quality crude, [figure indistinct] dollars for Maya [name as received] type.

GOVERNMENT SEEKS TO INCREASE FOREIGN EXCHANGE

FL062056 Kingston Domestic Service in English 2030 GMT 6 Feb 80 FL

[Text] The Mexican Government is currently undertaking a number of measures aimed at increasing its foreign exchange through the sale of petrochemical products.

Petroleum authorities in Mexico City today disclosed some of these measures. Included among them are the establishing of contacts with business enterprises in Brazil, the United States and Spain with a view to acquiring shares in these foreign companies. It is hoped that through this action the industries will later use Mexican crude and sell its derivatives in new markets.

The state-owned company PEMEX today explained that the country's current 6-year plan has made provisions toward undertaking such a venture but no move has yet been made to implement it because official chemical plans could not meet the additional demands. However, with the acquisition of 15 plants to process crude, industry officials said the country would now be able to export oil to petrochemical complexes abroad.

OZORES SAYS SHAH 'CANNOT LEAVE PANAMANIAN TERRITORY'

WA062224 London REUTER in English 2131 GMT 6 Feb 80 WA

[By Jose Montano]

[Excerpts] Panama City, Feb 6, REUTER--Panamanian Foreign Minister Carlos Ozores said today the ex-shah of Iran who arrived here on December 15 could not leave the country. "It is definite that he cannot leave Panamanian territory. He cannot", Dr Ozores said when asked to comment on reports from Iran that the ex-shah was arrested here last month but immediately freed on bail on condition that he did not leave Panama.

Dr Ozores, in an interview with REUTERS, said he did not know if the ex-shah was out on bail. He said: "For practical purposes the ex-shah can move about freely within Panamanian territory but continually under the custody of the National Guard. "We could therefore say, using an expression, that the country is his jail, if we can call our country a jail. It is definite he cannot leave Panamanian territory. He cannot".

Dr Ozores was speaking after a Cabinet meeting at the Presidential Palace, which a government spokesman said earlier had been called to discuss "routine domestic matters". President Aristides Royo last January 22 announced the deposed shah was "under the care of Panamanian security authorities". He made the announcement after Iranian Foreign Minister Sadeq Otbzadeh said in Teheran that the former monarch had been detained by the Panamanian Government after an Iranian request for his extradition.

Asked to comment on unconfirmed press reports that the ex-shah who underwent cancer treatment in the United States before coming here was seriously ill, Dr Ozores said: "I only saw him when he arrived here and I am not a doctor". But he said that based on observations of people who have seen the ex-shah from time to time reports of his ill health were exaggerated.

On January 22 President Royo said Iran had 60 days to submit three legalized documents so that Panama could initiate the procedures for the ex-shah's extradition. Foreign Minister Ozores said today that Iran had sent an official cable to Panama stating that the required documents had already been forwarded. But he said the documents had not yet been received here. Dr Ozores did not specifiy when the cable was received.

In Teheran last night lawyers close to the government said Panama had told Iran the ex-shah was on bail and was not free to leave the country. They said the former monarch was served with an arrest warrant on January 22, but was immediately freed on bail on condition that he did not leave Panama. The lawyers told REUTER the arrest warrant referred to breaches of Iran's 1906 Constitution which provides for a constitutional monarchy, as well as charges of murder, torture and embezzlement. But they said the fact that the death penalty did not exist in Panama meant that Iran could not legally sentence the former monarch to death if he were extradited.

NATIONAL GUARD DENIES REPORTED GUERRILLA OUTBREAK

PA062145 Panama City ACAN in Spanish 1516 GMT 6 Feb 80 PA

[Text] Panama City, 6 Feb (ACAN-EFE)--The Panamanian National Guard today denied that guerrilla groups on the Costa Rican border are plotting to overthrow the Panamanian Government. "There is no outbreak of guerrillas on the border between the two countries," Lt Col Roberto Diaz, executive secretary of the National Guard headquarters told ACAN-EFE.

News reports from San Jose, Costa Rica, indicated that rightist guerrilla camps had been discovered on the border and that the Guard had launched an operation to prevent the rebels from carrying out their plans. "It is not true that the Panamanian Guard has launched a military operation on the border," Lt Col Roberto Diaz said. However, he did not rule out the possibility of "preventive actions" by the forces of the two countries in the future in that region.

The San Jose newspaper PRENSA LIBRE recently published a report that some 1,200 Panamanian guardsmen were conducting helicopter surveillance in the border area. Panamanian dissident Abraham Crocamo, who resides in Costa Rica, has admitted his involvement in organizing guerrillas to combat the Panamanian Government, which he publicly opposes. PRENSA LIBRE said Panamanian guardsmen "have attempted to cross into Costa Rican territory to capture the guerrillas, but were prevented from doing so by Costa Rica authorities."

Colonel Diaz told ACAN-EFE emphatically: "We do not believe there is an outbreak of guerrillas in the border region." He attributed the suspicions about guerrillas to "rumors which are always circulated in the border regions between nations."

Presidents Aristides Royo and Rodrigo Carazo of Panama and Costa Rica, respectively, agreed during Royo's visit to San Jose to take the necessary actions to prevent guerrilla activities against the two governments. In a joint communique, the two presidents reiterated their "firm intention of preventing actions to subvert public order in the border region."

CROCAMO'S WIFE CONCERNED ABOUT EXILE'S FATE IN COSTA RICA

PA062153 Panama City Domestic Service in Spanish 1700 GMT 6 Feb 80 PA

[Statements over the telephone by Marina (Pizarra) de Crocamo, wife of Panamanian exile Abraham Crocamo, in San Jose, Costa Rica; date not specified--recorded]

[Text] I want to speak to the Panamanian people so they will know what happened to my husband, Abraham Crocamo Arevalo. He was arrested at home the day [words indistinct] the arrival of President Royo. He was brutally treated. He was arrested and taken to an (?unknown location).

In view of our concern, we contacted the deputy minister [not further identified] who told one of my sisters that my husband had been arrested for Royo's security and that when Royo left my husband would be released. Since time passed and he was not released, our concern increased and I submitted a petition for habeas corpus and another of protection before the Supreme Court. Gonzalo Facio is in charge of my husband's case. The writ of habeas corpus is still pending [words indistinct]. We have submitted full evidence because [words indistinct]. We have done all we could. We (?spoke) with the UN high commissioner. The lawyer has been meeting with top Costa Rican officials to learn of my husband's whereabouts.

The press is also very concerned, so are all of my husband's relatives. We do not know his condition or where he is being held. (?Three) days have passed. We are waiting to see what decision is made tomorrow. The only thing that the public security minister guaranteed is that my husband will not be deported to Panama because [words indistinct] human rights. All the authorities have promised that he will not be deported to Panama. He can go to any country except Panama [words indistinct].

[Question] If he is deported, to what country would you like him to go?

[Answer] I think perhaps we might go to Spain. That is my idea since I have some relatives there. We shall wait and see. We would like to leave of our own free will rather than be deported.

COSTA RICA

PRESIDENT CARAZO RESPONDS TO CHURCH CRITICS

PA061457 San Jose LA NACION in Spanish 29 Jan 80 p 9A PA

[From the press office of the Presidency]

[Text] Response by the president of the republic to clergy members.

Father Walter Marchena Cordero, Father Gerardo Brenes, Father Edwin Baltodano Quillen, Father Oscar M. Lepiz Villegas, Brother Jorge Arturo Chaves O., Father Francisco Vargas Alvarado, Deacon German Cordero Salazar, Brother Minor Montero Barrantes, Father Guido Villalta Loaiza, Father Asdrubal Alfaro Soto, Brother Miguel Picado Gatjens, Father Alfonso Quiros, Brother Rolando Mora Zeledon, Sister Carmen Estrada Cespedes, Brother Juan Chaves Jimenez, Sister Amable Corrales Valverde, Father Francisco Cruz Cruz, Brother Enrique Montero Umana, Brother Guillermo Chaves Pochet, Sister Luz Mejia Vallejo, Brother Jose Amado Robles, Brother Bernanrdo Hidalgo Hernandez, Brother Vernor Rojas Contreras, Father Jose Herrera Salas:

The fact that I have received thousands of messages of support from democratic Costa Rican citizens, including priests and political opponents, on the occasion of the strike promoted by the Popular Vanguard Party [PVP], may relieve me of the duty of responding to the public letter signed by 23 priests, 2 friars and 2 nuns in which they express their opposition to the legal stand adopted by the government of the republic in defense of our legal system, freedom and democracy and the workers' welfare.

The intention of that letter, added to the unjust editorial published Sunday by ECO CATOLICO--both of which constitute faithful copies of a political party's manifesto--oblige me to respond not in order to justify the stand adopted by the government of the republic but to denounce two dangers: the fear of defending democratic values in the face of communist penetration because of an ephemeral electoral enjoyment, and the mixture of ill-directed political and religious interests in a matter of such importance as respect for the law and the maintenance of our democratic principles.

If some, "called" by their priesthoods to be the light of the world and the salt of the earth, do not give public testimony of their devotion to Christian principles against all forms of totalitarianism, remain silent or either directly or indirectly defend those who violate institutionality, the law and freedom, what can God's people expect? Could this not be a form of scandal repeatedly condemned by the church?

Because of its unequivocal political position, the ECO CATOLICO editorial does not reflect the church's opinion on this matter, but that of its publisher, who seems to be inspired either by ignorance or bad faith. If he is inspired by ignorance, he is violating journalistic ethics, for no one should express opinions about that which he does not know or about that which he equivocates on purpose in order to adjust it to his own interest. Should it be thought that he is acting in bad faith, then it is time for someone to revise the contents of that weekly, not in order to censor it but to turn it into a genuine expression of Christian views and a school for formation of the faithful. I am deeply concerned with the fact that a group of priests should distort the facts, perhaps with the idea of serving other interests, without considering that their turning their ministries into instruments represents one of the faults most vehemently denounced and condemned by the popes. A priest has the right to dissent and criticize, but he should not mutilate reality or condemn those who have merely commited the sin of calling things by their right names.

You deplore the tone of my speech against the communists. I shall comment here on some excerpts from your public letter:

1. "Our consciences as Costa Rican priests and members of religious orders prevent us from remaining silent in the face of your speech delivered on 14 January." Your consciences persuaded you to make this denunciation because in my speech I condemned communist penetration, communist use of the workers, the continuation of an illegal strike that affected the workers after the government had agreed that they were right, the enormous losses to the national economy, the insults hurled at the judges of the republic, the mockery made of our tribunals, the efforts made to induce sedition and the threat that the Costa Rican economy would be paralyzed. If these flagrant crimes, if these attacks on the country do not move your consciences as priests and members of religious orders against the communists, but instead move you indirectly in their favor, then we hold diametrically opposed views from both the democratic and the Christian standpoints.

I deeply respect your consciences. Nonetheless, I dare distinguish between freedom of conscience and an upright conscience. As men of God and students of morality, you are well aware that it is not enough to act in accordance with one's conscience. It is necessary that this conscience be well formed also and that, as regards the essential issues, it does not become easy prey of situational morality or of the idol of pseudo-objectivity, which equates objectivity with neutrality or which seeks the easiest path whenever principles are endangered. That stand might be described as the very opposite of Christianity.

2. "The verbal violence to which you abundantly resort incites other types of violence." I regard this expression as a personal attack. You are repeating the arguments of certain political opponents who regard the objective pointing out of serious mistakes committed in the past as verbal violence. I suppose then that the written phrase is merely the expression of an internal political feeling. Furthermore, you are confusing energy with violence. Apparently, in the face of an illegal strike directed by the PVP, you would like the government to fold its arms while the economy and the institutions sink.

The path to a nation's tragedy is familiar. First, illegality emerges alongside arbitrary actions by extremists. Then, if the government opposes this and defends the legal system, it is accused of militarism or repression. If it yields or grants everything to the extremists or to the communists, the country sinks and the government is accused of being weak. Between these two extremes there is a middle road, that of dialog, and then the enforcement of the law whenever an attack is made against the fundamental values of our nation.

I suppose that to you, the expulsion of the moneychangers from the temple was an act of violence and was therefore to be criticized. In accordance with the contents of your letter, Jesus should have permitted the moneychangers in the temple. In other words, I believe freedom, democracy, dignity, the collective good, our nationality and the essential things should be defended always, fearlessly and without backing down.

Were it a matter of individual faults not harmful to the national interest, the duty of Christianity would be to cover one's fellow man with a mantle of forgiveness and love, imitating Shem and Japhet with their father Noah, but in the case of the communists and the banana strike it was not merely a matter of moral order but of legal order as well. It would have been cowardice or moral indifference on my part if I had not raised my voice or acted in accordance with the law. In this connection I remember the sad role played by certain European political leaders in the face of Nazism or by politicians in countries closer to us in the face of Somoza. [paragraph continues]

I might have remained silent in the face of communist penetration or their outrages; I could have yielded and made concessions, or I could have "coordinated" my actions with those of Somoza. Perhaps some would have applauded me. But that is not the nature of my commitment to the Costa Rican people. Had Christianity been cowardly or indifferent, it would not have survived. Had the first Christians reached an agreement with those persecuting them, they would have received honors from Nero but there would have been no martyrs. In other words, inevitably there comes a time in life when it is necessary to save the essential things, not by yielding but by opposing, in order to preserve freedom, that is, civilization.

Maybe it would be worthwhile to go over Christ's harsh words to the pharisees, that is, to those who turned their office into a business, who looked only at the letter and not at the spirit. Jesus called them hypocrites and whitewashed sepulchers. Pope John Paul II may have been inspired by this boundless energy when he suggested the following as the motto for 1980: "Truth, the force of peace;" truth, calling things by their name, but not lies, not doubledealing, not euphemisms. I also recall another phrase from the Bible: "So then because thou art lukewarm, and neither cold nor hot, I will spew thee out of my mouth." Democracy has succumbed in many nations precisely due to many lukewarm democrats, who were more interested in winning easy applause than in courageously defending their beliefs and principles.

3. "If the president does not try all possibilities for dialog but deals with those who do not share his views as if they were not Costa Ricans but national enemies, what other recourse is there to settle labor disputes?" With this criticism you are revealing your lack of information and obviously twisting words around.

First, the government did attempt a dialog and did have inexhaustible patience during this strike. Are you not aware of the several weeks of dialog, of the fact that reason was found to be on the side of the workers and Standard was forced to accept the government's position on 27 December? Are you not aware that immediately thereafter communist leaders announced they would go ahead with the strike? That is, they did not accept that reason was on their side or justice or the law or anything? I beg you to read the papers, watch television or listen to the radio before making judgments that put those who, on account of their work, should be well informed in a bad light. Far be it from me to think that they purposely misconstrued the facts.

Secondly, I did not treat the communists as national enemies because they "do not share my views" but rather because they were actually conspiring against the economy, the laws, and the interests and rights of the workers. To reduce this democratic struggle against communism to a question of personal vanity is unfair and connotes ill will, unbecoming in those who should not be untrue.

4. "We are concerned over the possibility that this speech may mark the beginning of a style of government rife with intolerance." Have no fear. I know how to distinguish between tolerance which is the civic manifestation of Christian humility and intolerance. We must all be tolerant and fraternal to our neighbors but intolerant with evil. I swore to defend and enhance democracy and freedom and I feel compelled to turn over a nation that is richer in values and principles, not splintered or annihilated by the communists who follow Moscow guidelines and, as the mere perusal of any communist brochure shows, are prone to destroying our values and principles. Sometimes it is worthwhile to return to the font of Christian doctrine and study the fountain of inspiration of the adversary.

5. "What the country needs is a conciliatory attitude inspired in the Gospel." The Gospel does not call for compromise with the enemies of freedom. [paragraph continues]

If they do not abide by local law, if to them a foreign imperialist power is more important than Costa Rica, if they attack our national economy, if they want to undermine national education, if they control key economic areas, if they mock the law and the courts, if in sum they try by all means to destroy our country, it is not right to use the Gospel to give a specious justification for their attitude. Sometimes one has to use the whip of the law to call the moneychangers to order in the temple. If the communists or anyone else were loyal to our laws and principles, then we would talk about conciliation. Then your quote of Monsignor Arrieta's words would be justified. But if the communists are outlaws and conspire against Costa Rica, as government leader, a Christian and a Costa Rican I must proceed accordingly. This is an evangelistic stand.

And since you quote the Gospel, how good it would be to delve into what it says about freedom, and how fruitful it would be to review the thousands of texts of the holy fathers against communism. The Catholic Church has not gone easy on it or been opportunistic about it.

The best example of this glowing and upright, that is, Christian, stand has been set by Pope John Paul II. With what strong words has he condemned political opportunism and called for Christian consistency, and with what stamina does he condemn three current mistakes: That of the politicians who want to subdue the church, that of the priests who want to subdue the state and that of those who use their ecclesiastical offices to serve politicians.

I also admire Pope John Paul II for his great courage at a time when many are lukewarm and I admire his open-minded and revolutionary attitude as concerns secondary things and his firm and radical attitude as concerns the essentials. My dear clergymen, essentials must be conserved and defended at all costs.

And I close. "What is most desirable to life" is the premise of any political statement. For a Christian, this fundamental decision falls within the realm of the faith. To a government leader, whether or not he is a Christian, it lies within the realm of the law, law enforcement and the political unity of the nation, basic instruments for the achievement of justice and well-being.

It is not my duty to turn the state into a tool of religion but into a state which upholds fundamental Christian principles, the basis of our national character, and to protect freedom in Costa Rica as the best condition even for the practice of religion.

Communism itself is an enemy of freedom. It is and has always been an enemy of religion. You criticize the tone of my speech and forget the essentials. I fight alongside Costa Ricans so that the communists will not take away the essentials, the preservation of which fortunately permits you to criticize the president for defending the law and opposing communist infiltration. As I said in my speech that some called "incendiary," we want to continue adoring God and speaking Spanish.

Thank you for affording me the public opportunity of writing this letter to you.
[Signed] Rodrigo Carazo 29 January

COLONEL MUNOZ DENIES EXISTENCE OF GUERRILLA CAMPS

PA070322 San Jose Radio Reloj in Spanish 0100 GMT 7 Feb 80 PA

[Text] There are no guerrillas on the country's northern border. After several operations by the Civil Guard on the northern border, it has been proven that no guerrilla camps exist in the area despite the insistent reports in this regard.

Colonel Munoz and [name indistinct] said in a press conference today that the Civil Guard inspected the area of Santa Cecilia, Salinas Bay, La Hacha Mountain and Orosi Volcano but no concrete proof was found. Colonel Munoz added, however, that the zone covering Los Chiles, Upala and Barra del Colorado was not searched.

Public Security Minister Juan Jose Echeverria Brealey today said several operations will be carried out in the country's southern area in the next few days. These operations will be undertaken because there are signs which might confirm the existence of guerrilla camps. The Panamanian Government has presented a document indicating that it has been proven that several persons secretly entered Panamanian territory from Costa Rica. The operations will be under the command of Colonels Munoz and [name indistinct] who had the same mission in the country's northern border.

Public Security Minister Echeverria Brealey also denied that Panamanian Abraham Crocamo Arevalo was beaten by the national security agents who arrested him in his residence on 31 January. Echeverria said that Crocamo put up some resistance and, therefore, was forcefully taken out of the house and placed inside a vehicle for the trip to the First Police Station where he is under arrest. The minister indicated that a medical report shows that Crocamo was not beaten or mistreated by the national security agents.

The Panamanian Government has accused Crocamo of being a saboteur. He has been charged with the crimes of sabotage, inciting civil war and illegal (?possession of arms). During a news conference today, the public security minister showed the dossiers presented by the Panamanian authorities and authenticated by the Costa Rican consulate in Panama. The documents include the aforementioned charges against Crocamo. Echeverria Brealey added that as a result of this, Crocamo was arrested during the visit of Panamanian President Aristides Royo to Costa Rica. He is being held at the First Police Station until a decision is made regarding the country to which he will be deported.

EL SALVADOR

MERS RELEASES MORE HOSTAGES, STATES DEMANDS

PA070119 Panama City ACAN in Spanish 2159 GMT 6 Feb 80 PA

[Text] San Salvador, 6 Feb (ACAN-EFE)--Hundreds of Education Ministry officials were released today by members of the Movement of Revolutionary High School Students (MERS) who had been holding them hostage since yesterday when they took over the ministry building.

A MERS spokesman told ACAN-EFE his organization had decided to retain Education Minister Eduardo Benjamin Colindres, Deputy Minister Jose Oscar Ramirez Perez and about 48 other people, the heads of various administrative offices of the ministry, in the building.

The operatives are asking educational officials to try former Education Minister Maria Angelica Diaz and two other educational officials. They have accused the three of "being accomplices to student killings."

They want four students released: Juan Francisco Ruiz, Roberto Olmedo Nochez, Santiago Gutierrez and Marvi Florez Benitez.

The leftist group's representative told ACAN-EFE no members of the Spanish mission are being held hostage. It had been hinted they were in the ministry.

The students want the Salvadoran Government to keep bus fares within the capital at $0.04 and transportation fares in the city cut in half for the students.

He added that negotiations must end successfully before the premises are evacuated. "We will negotiate only with the education minister and our demands must be accepted before we leave the building," he remarked. They also want the government to decree a 40 percent discount in private school registration and free admission to public schools.

The revolutionary government junta told ACAN-EFE today that negotiations will be conducted by the education minister and reiterated that there will be no military intervention to clear the building.

ENVOY SEES QUICK END TO SPANISH EMBASSY SITUATION

PA070425 Buenos Aires LATIN in Spanish 0257 GMT 7 Feb 80 PA

[Text] San Salvador, 6 Feb (LATIN)--Spanish Ambassador to El Salvador Victor Sanchez-Mesas, who continues to be held hostage by leftist militants in his embassy, today expressed hopes that the incident will be solved soon.

More than 70 members of the 28 February People's Leagues (LP-28) peacefully occupied the embassy yesterday to demand the release of 15 imprisoned comrades, 7 of whom were freed today.

Ambassador Sanchez-Mesas told newsmen during a dialog through one of the building's windows that the LP-28 members asked him to recommend that his government break diplomatic relations with El Salvador. He told them that there are no reasons to justify such a step.

Sanchez-Mesas disclosed that he had spoken by telephone with Col Adolfo Majano and Jose Antonio Morales Ehrlich, members of the civilian-military junta, and that they had both expressed their interest in a peaceful and prompt solution to the incident.

The ambassador said the occupiers have added to their initial demand for the release of 15 LP-28 members the demand for the release of Norma Guevara, a member of the Nationalist Democratic Union, who was arrested on Tuesday under the charge of illegal possession of weapons.

The LP-28 is also demanding the return of 20,000 colones ($8,000) which were presumably confiscated by the security forces during the raid on Guevara's house. Sanchez-Mesas disclosed that during his conversations with the junta members he was told that Guevara will be taken to court tomorrow and it will be up to the presiding judge to decide whether or not she will be released. He noted that Guevara's release is an important obstacle to any attempt to solve the incident, although he added that the occupiers and the government are showing great willingness to reach an agreement soon.

COMMENTATOR DENOUNCES FRG, SOCIAL DEMOCRATS

PA062234 San Salvador EL INDEPENDIENTE in Spanish 5 Feb 80 p 5 PA

[Dagoberto Vega Zea commentary "Social Democracy in El Salvador"]

[Text] In the last few years the intention of [West] German imperialism to establish a political enclave in Central America has become obvious. It is using social democracy's doctrinary resources to do so.

Similar European political organizations, with Bonn at their head, are using some three or four local Salvadoran politicians forged in the electioneering anvil to spread their petit bourgeois and reformist doctrine. Social democracy is the ideology of the European bourgeoisie and of Latin America's intellectual petit bourgeoisie. Insofar as its goals are concerned, this political current is clearly counter-revolutionary and evolutionist. It seeks power in Central America and specifically in El Salvador through pseudodemocratic systems like the one the previous government junta had prescribed for us and the one the present junta aspires to implement.

The social democratic virus has infested the minds of some coffeeshop and schoolroom political experts. However, German imperialism--which is a natural ally of U.S. imperialism--is facing serious ideological obstacles in introducing the social democratic doctrine in El Salvador. It is very difficult to destroy the autochthonous ideas and aspirations of the Latin American peoples and to make them abandon the concept of a national revolutionary movement. The only spring from which social democracy could drink is the backwater of "centrism" which has been recently grouped under the so-called "popular forum." However, the forum is, to a certain extent, an instrument of economicism [economicismo] and political opportunism [arribismo politico]. The opportunists have gathered a most heterogeneous mass under the forum and have converted it into a sterile hybrid which at no time can become a decisive force and much less meet the aspirations of the Salvadoran people.

Social democracy's intentions are manifested in its efforts to draw political capital [capitalizar] from political forces in Latin America such as centrist organizations like the Popular Forum.

The expansionist aims of social democracy in El Salvador, however, are doomed to utmost failure because its ideology is not imbedded in the conscience of the Salvadoran people. Social democracy is a merchandise "made in Germany" and has only hatched in the feverish minds of a few political experts in El Salvador who stupidly pretend to reach the people by estranging themselves from them. Cloistered in seminars, conferences, brief courses and other exclusive selective activities with which they seek to dampen the revolutionary restlessness of the youth, they find solace in ruminating over outdated and worn out theories.

The parties with a social democratic leaning in Latin America are not parties of the people but of small petit bourgeois and aristocratic-minded elites which dexterously manipulate the "dialectics of opportunism" and will never reach the heart of the masses.

Bearing in mind this nefarious background, how could the Salvadoran people and more specifically and essentially the youth--who have become the vanguard of the struggle against opportunism--ever follow these "revolutionary" gentlemen of refined manners?

ANTICOMMUNIST ORGANIZATION DEFINES OBJECTIVES

PA062159 San Salvador LA PRENSA GRAFICA in Spanish 27 Jan 80 p 3 PA

[Text] The recently created clandestine Organization for Liberation from Communism [Organizacion Para la Liberacion del Comunismo] plans to destroy the entire Marxist-Leninist movement here in El Salvador.

According to a communique sent to the media, the group has been born with a spirit of struggle that stems from indignation felt in the face of the economic and social disasters affecting our country.

"We will not identify with either the left or the right, but with the desire to impose the justice our people so urgently need," says the document. "We firmly believe that the communists and their followers are our country's worst enemies. Our entire war is aimed at them and we are willing to offer our lives in the course of this war if necessary," they add.

"Ideas are fought with ideas, but at this point the communists want war and war is what they will get," the communique concludes.

GUATEMALA

FOREIGN MINISTRY DISAVOWS AMBASSADOR'S STATEMENTS

PA062212 Panama City ACAN in Spanish 1929 GMT 6 Feb 80 PA

[Text] Guatemala City, 6 Feb (ACAN-EFE)--The Guatemalan Foreign Ministry today disavowed charges made by Jorge Palmieri, Guatemalan ambassador to Mexico, against Spanish Ambassador Maximo Cajal y Lopez, accusing him of alleged collusion with the persons who occupied and burned his embassy on 31 January.

In a written statement, the Foreign Ministry noted that it has recalled Ambassador Palmieri to this capital so that he can report on statements attributed to him in Mexico claiming that Ambassador Cajal y Lopez had facilitated the occupation of his embassy.

The Foreign Ministry declaration stressed that only statements made by an authorized government spokesmen will be termed official. This will be in effect until the complete truth about the Spanish Embassy incident is established.

For his part, Foreign Minister Rafael Castillo Valdes said that the Guatemalan Government has nothing to do with a report that circulated here stating that Spanish Ambassador Cajal y Lopez was in agreement with the attackers of his mission who burned it so as not to turn themselves over to the police who had surrounded the building. This resulted in 40 persons being killed, including occupants and hostages.

GOVERNMENT ADMITS FACING SUBVERSION THREAT

PA062328 Guatemala City Radio Mundial in Spanish 1700 GMT 6 Feb 80 PA

[Distributed by Inter-Central American Radio Organization]

[Text] We are facing subversion but we can maintain order. The government acknowledges that it is facing subversion and that clandestine organizations have stepped up their activities but it is not contemplating implementation of special measures. These were statements by Carlos Toledo Vielman, presidential public relations secretary, at a news conference.

He added that the government can control the situation and will strictly abide by the law in order to maintain order and public tranquillity. He said the government is obliged to protect the people and their property. He said the government measures adopted to control subversive activities cannot be anticipated yet, but it will use all the legal means available to it.

The present moment does not call for emergency measures and the government is not contemplating this yet, he noted.

Toledo Vielman affirmed that the security forces can control subversion and guarantee order and tranquillity for the citizens.

HONDURAS

ARMED FORCES, POLITICAL PARTIES VIEW APRIL ELECTIONS

PA060402 Buenos Aires LATIN in Spanish 0012 GMT 5 Feb 80 PA

[By Gustavo Rubi]

[Text] Tegucigalpa, 4 Feb (LATIN)--The Honduran Armed Forces promised here today to fully respect the results of the 20 April elections. The elections have been called by the armed forces to bring about a civilian government. Civilians have been excluded from power for almost 8 years.

The promise was made by Col Gustavo Alvarez Martinez, a member of the armed forces Supreme Council and commander of the 3d Infantry Battalion headquartered in San Pedro Sula, 300 km from here.

"The armed forces as an institution are ready to fully cooperate with a government of national integration in which the different social sectors will participate," he said.

Alvarez Martinez said the citizen's vote will determine if the traditional political parties have chosen the best people as candidates for deputies in the National Constituent Assembly.

Nevertheless the electoral process was criticized today by the outlawed Socialist Party [Partido Socialista] which ended its second national congress in Tegucigalpa.

In a final declaration the leftist political group threatened to hold popular demonstrations to protest against "the imposition of a government established behind the backs of the people."

On its part the rightist National Party said it will not permit the outbreak of violence and terrorism in the country. Party President Ricardo Zuniga Agustinus referred to the forthcoming elections. He expressed his hope that "this will not be the beginning of a social breakdown in Hondruas, as has occurred in other Central American countries."

In order to control what he described as "outbreaks of social decomposition," he said the government must act with prudence and all Hondurans should be sensible.

Alfredo Landaverde, leader of the Honduran Christian Democratic Party, last month accused the National Party of supporting the banners of rightwing dictatorships. Referring to its leaders, Landaverde said "they have not stopped drying their tears over the fall of their ideological father, Gen Anastasio Somoza" in Nicaragua last year.

The elections were called to elect a civilian government to replace the military regime which overthrew constitutional President Ramon Cruz in 1972.

NICARAGUA

FURTHER REPORTAGE ON EL PUEBLO CLOSING

Other Media Threatened

PA311649 Managua Radio Corporacion in Spanish 1200 GMT 25 Jan 80 PA

[Remarks by Comdr Bayardo Arce, official in charge of communications, during news conference 24 January; place not given--recorded]

[Excerpt] [Question] Commander Arce, as a member of the National Directorate of the Sandinist National Liberation Front [FSLN], could you give us some information regarding the newspaper EL PUEBLO? The office was occupied by the military, some of its equipment was taken away and, according to Interior Minister Tomas Borge, the paper is under investigation. What is happening? What details are available? Are there political interests or is it simply a legal matter? Just what is the situation, commander?

[Answer] To begin with, if you are honest you must admit that EL PUEBLO has been a spokesman for the counterrevolution in Nicaragua. Its proclamation against national unity; its constant calls for production to be sabotaged; its constant calls for strikes and for actions against all revolutionary programs for the benefit of our people are more than enough indication of the counterrevolutionary character of the paper, independent of the language used. Therefore a measure has been taken against an organ of the counterrevolution. The counterrevolution consists not only of military attacks on the revolutionary process; it also involves political attacks, the type of underhanded attack that was being carried out by EL PUEBLO, as is being done by other media which, unless they change their attitude, will have to receive the same medicine.

[Question] As regards the use of legal action--which I believe should have been used in the case of EL PUEBLO--why was military action used instead?

[Answer] The primary source of law here is the revolution itself. This must be clear. In fact, it is a universal principle. The revolution is a source of law. Why were those who are arguing about bourgeois formalities now not demanding them during the era of the dictatorship? That is the important thing that must be taken into account at this time--the policy of the revolution for the defense of the people is not analyzed with the enthusiasm with which the attitudes of Somozism were analyzed. These are the neo-Somozists who are emerging in this country.

LA PRENSA Opposes Closing

PA022252 Managua LA PRENSA in Spanish 26 Jan 80 p 2 PA

[Editorial: "The Case of EL PUEBLO"]

[Text] The occupation of the newspaper EL PUEBLO and perhaps its possible closing down and the circumstances in which it took place, call for a serious and unbiased evaluation of the event which may have profound political repercussions in both the domestic and foreign fields.

In the first place we believe that no information media, protected by its right to constructive criticism, can distort this right, can use it at will according to sectarian interests and slander the revolutionary process.

Under no circumstance could we claim that this attitude is "the practice of freedom of the press," among other reasons, because the right to constructive criticism by means of the information media is a duty, the duty of giving priority to national matters above sectarianism and destructive criticism. [paragraph continues]

Coming from the extreme right or left, this criticism detracts from the people whom they claim to defend, since the only thing they do is to create favorable conditions for turning back our revolutionary process. This cannot be allowed since the revolution in which we are involved has a sacred and inviolable commitment with the people and its martyrs. EL PUEBLO is noted for its constant and irresponsibly destructive criticism of our idiosyncracies, our cultural roots and our most pressing needs. Its pages have served to mock Christ and, some commandante aware of the Christian sentiments of a large part of our people, has quoted Christ as an example we can follow as true Christians within the revolutionary process. EL PUEBLO has demagogically criticized the economic reactivation plan, promoted class hatred, and has criticized the celebration of religious festivals deeply ingrained in our traditions, such as La Purisima, [a traditional Nicaraguan film festival] In brief, not even the literacy campaign has escaped its hatred.

If we briefly analyze the context of the spirit involved in this criticism, we plainly see the damage that it has systematically tried to do to our revolution. In the second place we must be aware that within the domestic and international levels there are sectors ready to misunderstand us, to be blind to our reasons to take steps (mistaken or not) to safeguard the process. It is at this point of misunderstanding and counterrevolution that there is agreement between the extreme left and right. In the third place, precisely because of what we said in the previous paragraph, we consider the closing of EL PUEBLO untimely and impolitic, in spite of the existing reasons already indicated, and for other reasons that may exist. We believe on one hand that this measure will be exploited by sectors opposed to our revolution inside and out of the country. It also sets a precedent of not following the appropriate channels, such as the existing press law, for example.

According to our commitment to be loyal to our lengthy struggle in favor of freedom of the press and for the above-mentioned reasons, we disagree with the takeover of EL PUEBLO by the armed forces and ask our government authorities to reconsider the measure and allow EL PUEBLO to circulate again.

WRITERS UNION EXPELS MEMBER FOR 'IRRESPONSIBLE' INTERVIEW

PA040435 Panama City ACAN in Spanish 0051 GMT 4 Feb 80 PA

[Text] Managua, 3 Feb (ACAN-EFE)--The Union of Journalists of Nicaragua (UPN) has decided to expel newsman Oscar Leonardo Montalvan, director of the Radio Mil newscasts in this capital.

The decision was announced today by the UPN affiliation committee and is based on the "harmful and irresponsible exercise" of freedom of expression by "the man of Mil," as Montalvan, experienced newsman and longtime professor, identified himself in his broadcasts. The straw that broke the camel's back was the interview by Montalvan of Dr Sergio Prado, classified within the "ultraleft," who on Saturday morning made bitter criticism and "even slanderous and insolent attacks" against the leaders of the revolution. His expulsion was resolved by the committee which safeguards the exercise of journalism in Nicaragua.

The newsman had been accused by leaders of the government and mass organizations which support the revolutionary process of playing up to sectors attempting a counterrevolution in Nicaragua. Earlier, it had been learned that the district attorney had ordered an investigation of Doctor Prado's statements to newsman Montalvan.

BARRICADA, organ of the Sandinist National Liberation Front, in its Sunday edition reported that the Board of Directors of Radio Mil had also decided to cancel the radio time slotted for Montalvan. This action has brought an end to one of the most widely listened to radio newscasts in this capital.

FIDEL CASTRO HOLDS TALKS WITH ALVARO CUNHAL

FL061207 Havana Domestic Service in Spanish 1145 GMT 6 Feb 80 FL

[Text] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee, yesterday held talks with Portuguese Communist Party Secretary General Alvaro Cunhal who visited our country accompanied by a party delegation. During the talks, which were held in a fraternal and friendly atmosphere, the international situation as well as the relations between the two parties were discussed.

Present at the talks were Jesus Montane, member of the PCC Central Committee and chief of its foreign relations general department, and Antonio (dos Santos Morteira), member of the Portuguese Communist Party Central Committee.

CASTRO SENDS TITO MESSAGE ON NONALINED RHODESIA STAND

LD062142 Belgrade TANJUG in English 1736 GMT 6 Feb 80 LD

[Text] Belgrade, Feb. 6 (TANJUG)--Cuban President Fidel Castro has sent President Tito a message concerning the latest situation in Zimbabwe and the activity of the non-aligned in giving support to the Patriotic Front.

The message from President Fidel Castro for President Tito was today presented to Yugoslav Deputy Foreign Secretary Milorad Pesic by Cuban Ambassador to Yugoslavia Jose Eloy Valdes Espinosa.

GDR TO SIGN EDUCATION COOPERATION AGREEMENT

FL061239 Havana Domestic Service in Spanish 1145 GMT 6 Feb 80 FL

[Text] Next Friday a new 5-year cooperation agreement will be signed by the Education Ministries of the GDR and Cuba, according to an announcement made by Jose Ramon Fernandez, member of the PCC Central Committee, vice president of the Council of Ministers and minister of education. We asked Comrade Margot Honecker, member of Germany's Socialist Unity Party Central Committee and GDR minister of public education, about the main aspects of the agreements during her visit to Santiago de Cuba.

[Begin Margot Honecker recording--in German with consecutive Spanish translation] The main objective of the agreements will be a strengthening of cooperation in the various fields because cooperation between our two countries has reached the highest level. There are many interesting methods which you have developed and from which we can learn. Mainly, we wish to strengthen cooperation in the politico-ideological education of youth. In addition, we would like to gain further experience in the practical and polytechnic education of students and in the training of teachers. Lastly, we would like to cooperate in the organization and planning of the educational system in general, in the improvement of methods. We welcome the aid offered by Education Minister Comrade Fernandez to improve the educational system for Spanish-speaking students in the GDR. [end recording]

The GDR Public Education Ministry delegation headed by Minister Margot Honecker today will visit the Bartolome Maso sugar mill in Granma Province and the school-city in Caney de las Mercedes in the Siera Maestra Mountains. It will also participate in the closing session of the fourth national methodological seminar of the Education Ministry scheduled for today in Manzanillo.

GRENADA

GOVERNMENT REQUESTS BRITISH IMPARTIALITY IN RHODESIA

FL061954 Havana Domestic Service in Spanish 1924 GMT 6 Feb 80 FL

[Text] The revolutionary Government of Grenada has asked for the withdrawal of South African troops stationed in Zimbabwe. It has also asked Great Britain to be impartial in the implementation of the Lancaster agreement. Grenada reaffirmed its firm support of the Zimbabwe people's right to independence and free and democratic elections as well as its solidarity with the Patriotic Front. The official note says that the Grenadian authorities have received information from the Tanzanian president, Julius Nyerere, from the frontline states and from the nonalined countries movement about the situation in Zimbabwe. The note, made public by the Grenada Government office, condemns the British Government's failure to impartially apply the terms of the Lancaster agreement toward a global political solution in Zimbabwe.

JAMAICA

MANLEY ADDRESSES CURRENT ECONOMIC PROBLEMS

[Quotation marks as published]

FL061500 Kingston DAILY GLEANERS in English 4 Feb 80 p 13 FL

[Address to the Nation by Jamaican Prime Minister Michael Manley on 3 February explaining difficulties being faced by the country]

[Text] "For some weeks now the government has been in very intensive negotiations with a team representing the International Monetary Fund. This became necessary because last December we failed the foreign assets test which was part of the economic programme agreed with the I.M.F. As a result, it was necessary to apply for what is known as a waiver.

"This means that you examine the reasons why the economy failed to meet the target which was set in the test and decide what action has to be taken to correct the problem. The action would have to be consistent with a new programme and sufficient corrective action would have to be taken now to ensure that the economy is getting on track. If agreement is reached on the waiver with the directors of the I.M.F., foreign exchange payments of $30 million, which were due last month, will be paid to the Bank of Jamaica.

New Programme

It would then be necessary to work out the details of a new programme with the I.M.F. in which new targets are set and further foreign exchange is made available. So far, the negotiations have not been dealing with the second stage in which the details of a basic agreement is negotiated. I should make it clear, however, that the first stage of the negotiations, which is the application for the waiver, requires that we settle the basic outlines of a new programme and that we now take corrective action to bring the economy on track and in line with the new programme. The details of this new programme will be negotiated in the second stage, but about 50 percent of the action required for the new programme would have to be taken now.

A Lot of Argument

There has been a lot of argument in the country about the I.M.F. and the application for the waiver. I want simply to say that the reason why the government has been dealing with the matter is because the foreign exchange which was not paid in January and which will be paid in early March if our application is successful, is important [paragraph continues]

to help to buy drugs, food, spare parts, fertilizer and the raw materials to keep our factories going. In addition, the obtaining of a waiver ensures that the country is not in legal default in certain contractual obligations and it may assist in keeping some of our trade credits in place.

After weeks of negotiations, including a trip by Ministers Bell and Small and myself to the headquarters of the I.M.F. in Washington, it is my duty to tell you tonight that the Government of Jamaica and the team of officials representing the I.M.F. have not been able to reach agreement on the terms of the application for the waiver. Let me repeat, we have not been able to reach agreement.

No Agreement

I want to tell you exactly why we did not reach agreement and what we propose to do about it. As I said before, economic programmes that are worked out with the I.M.F. provide for periodic tests in which you measure the performance of the economy under the programme. If you fail a test, you either have to work out a programme for short-term corrective action, which may be followed by a new programme, or you can simply negotiate an entirely new programme. For the reasons which I have given earlier, we have chosen to apply for a waiver because once the waiver is granted, the foreign exchange which was not paid because of the failure of the test is then paid, and in addition the default is "wiped out" and certain adverse consequences which I have already mentioned are avoided.

Serious Difficulties

Every Jamaican knows that the country is in very serious economic difficulties. Because of this, we have to be extremely careful with our money and cannot afford to finance many things that we might wish to do. In any case, there are certain things to do with the management of our resources which would be necessary even if we had struck oil and had all the money that we could use. Therefore, I would like to ask you to come with me through three stages:

First of all, let's examine those sacrifices we have to make and would have to make even if we had all the money in the world; secondly, those things which we cannot do, even though we would like to, because there is a crisis and money is tight; thirdly, those things which would have been a consequence of further reductions of expenditure in order to secure agreement with the technical team of the I.M.F.

Deficiencies

It is obvious that there have been deficiencies in the area of expenditure control and management generally. We have worked out new systems of financial control and these are being put in place as a part of a general restructuring exercise aimed at more efficient government and better management of resources. We have also looked at production plans and worked out strategies which are aimed at improving performance in agriculture, industry, tourism and the other means of production. We have to face the reality that the budget cannot be used to subsidise many industries and enterprises and, in some cases, the consuming public. This is sometimes for good policy reasons or because money is tight or both. You will remember that recently we had to increase very substantially the price of sugar and of all petroleum products.

Sugar Industry

In the case of sugar we cannot afford to subsidise the industry. The industry must finance itself, and the only way in which we could increase its revenue was by the increases in the local price of sugar. This has not made it a healthy industry with money to throw around but, we hope, has provided a minimum basis for viability and will ensure

[paragraph continues]

Their opinion is that the 1980/81 recurrent budget, if it is developed as a natural continuation of the 1979/80 budget with due allowances for inflation, etc., would result in a deficit which we would have to reduce by about $150 million. That is the view of the I.M.F. team. The question of the precise items to be cut and whether there should be a combination of less cuts and additional taxes is not the responsibility of the fund team but they took the view that they should insist upon a reduction of about $150 million.

And they insist that the reductions be done in ways which they regard as lasting and certain so as to ensure that the full effects of the cuts are certain to be felt in the 1980/81 budget.

Economic Aspects

Together with our experts, we looked at the economic aspects of things and weighed this against the social aspects in terms of what all these cuts would mean to people: to parents, to children, to workers, to farmers, to students, to the sick, to everybody. We came to the conclusion that it was not possible or advisable through cuts, new taxes or by whatever means to reduce the deficit by more than $100 million. It is this difference of $50 million that has caused the disagreement.

A Social Disaster

Let me tell you what was involved. One way of saving the additional $50 million would have been to lay off nearly 11,000 workers. In our judgment, this would represent a social disaster and would also represent an administrative disaster because there are whole areas of the government which simply could not run if you had to axe 11,000 people out of the system.

Another way of saving the further $50 million would be to do a combination of things including removing all subsidies from food, from J.O.S., from fertilizers; bringing the JAMAL [Jamaica Movement for the Advancement of Literacy] programme to an end; making, say, all students at U.W.I. [University of the West Indies], CAST [College of Arts, Science and Technology], J.S.A. [Jamaica Student Association] and other tertiary educational institutions pay full tuition fees. And in addition, thousands of workers would still have to be laid off including some special employment workers.

We are firmly of the view, therefore, that it would be wrong to cut an additional $50 million.

Reduction of Subsidies

As it is, even to get $100 million savings, we are going to have to reduce subsidies on food, fertilizers and J.O.S. but not cut them out altogether. I repeat that to cut out an extra $50 million we would have to take further action which would visit terrible additional hardship on people--and it would be the poorest people--and we would have to abandon fundamental principles like seeing to it that tuition at all levels of the educational system is free so that the opportunities of education are available to the poorest no less than the better off--and we are not prepared to do this.

I am making this broadcast later than I had planned because these represent terrible problems and terribly difficult decisions for us. We the government, have decided that it is not possible and in fact not necessary to visit this further suffering on large sections of the society.

What then are we going to do? Two things.

Firstly, we are entitled to have our application for the waiver go forward to the management of the board of the I.M.F. even though we have failed to reach agreement with the fund officials who are in Jamaica. The I.M.F. team returns to Washington tomorrow and we will be presenting our proposals nonetheless.

that the taxpayers do not have to pay for part of the industry·s operations through budget subsidies as well as what they pay as consumers. In the same way, we have to pass on to the consumer all aspects of oil price increases that are decreed by OPEC though we have retained, up to now, a small subsidy on one item.

The same is true of our public utilities. The public service company, telephone company, Air Jamaica, airports authority, etc. All provide vital services to the public but cannot be supported by subsidies out of revenues provided by taxpayers.

JOS [Jamaica Omnibus Service] Rates Going Up

There just is too much else that has to be done in such areas as education, health and agricultural development to take money from those things to subsidise these companies. As a consequence, telephone company rates will have to go up shortly and substantially. J.O.S. rates will also have to go up. We have been carrying a big subsidy on J.O.S. bus fares, in fact almost as much as one full year's expenditure for the special employment programme in the recurrent budget. In this case we can see our way to continuing some of this subsidy but not all of it. In any case, that company is getting deeper and deeper into a loss situation and will require tremendous re-organisation as well as substantial fare increases if it is to survive without vast subsidies in the near future. Even though fares will have to go up, we will be retaining about $9 million of subsidy for this operation to try to keep the fare increase as low as possible.

The truth is that the J.O.S. represents a special problem because, like all transport organisations, it is a very heavy user of oil for its diesel fuel. Consequently, its operating costs are heavily affected every time the world price of oil goes up. We will be discussing with the unions which represent these workers how best to achieve the savings which are needed.

Waste Must Be Cut

Obviously, all aspects of waste have to be cut out of the budget. In fact we have achieved some savings over the last two years: Housekeeping expenditure in the budget as a percentage of gross national product--excluding interest payments--has been substantially decreased during that period. And we have continued to work on this aspect of the budget. Certain of our embassies and consulates overseas will be closed and everything from travelling to the use of paper will be held to a minimum. A major restructuring exercise in government is nearing completion and will lead to merging of ministries, with resultant savings, and the shutting down of certain statutory boards and the elimination of operations that are not of priority importance.

As far back as last December, I pointed out that there have to be savings in the total amount that government spends on wages, salaries and fringe benefits for central and local government employees. The proportion of total tax revenues which these payments now represent is too high and leaves too little for the services which have to be provided in health, education and many other things.

We are satisfied that net savings of $25 million have to be found. We have a number of ideas as to how this can be achieved without creating heavy unemployment. We will, of course, take into account not filling vacancies, retiring civil servants who have reached pensionable age, and other measures which will not cause undue hardship.

In the course of this week, we are going to put these proposals to the unions and enlist their help in finding the most appropriate ways to achieve the savings while doing the least possible damage and hurt to the workers concerned.

All these things which I have just spoken about would be necessary if there were no I.M.F. and no I.M.F. team in Jamaica. However, we have had a difference with the I.M.F. team which relates to the recurrent side of the budget.

Further Hardships

We believe that our proposals are economically feasible; we know that they mean further hardships for the people, but they have to be taken if the country is to survive. On the other hand, the measures that would have to be taken to effect an additional $50 million cut would be unbearable.

We are a member country of the I.M.F. and are entitled to full consideration even if the official team does not agree with our programme. We are putting forward the programme because it would be of great importance to Jamaica to get the waiver, the payment of the foreign exchange and the keeping in place of various forms of credit which are available to and important for the country and its economy at this time.

Moves To Get Money

Needless to say, we have taken and are continuing to take a number of steps internationally to secure foreign exchange for the country while this matter is dealt with by the I.M.F. and also to seek the necessary support for the case that we have put forward.

For example, we have secured a loan of U.S.$50 million through the Government of Libya which will make a substantial contribution to keeping things moving through February.

In the meantime, we call on all Jamaicans who do not believe that there should be a wanton sacrifice of human needs, because of this crisis, to support our application for the waiver on our terms, terms that have been worked out by our leadership and by our technicians and our economists. We all believe that our proposals are reasonable and just, while taking full account of the serious financial difficulties of the present time.

I will now turn to the second aspect of the question: What are we going to do?

Grave Crisis

More than anything else at this time, it is my sincere belief that Jamaica needs to settle the question of the economic strategy which is to be pursued in the immediate future. It is a time of grave economic crisis. Yet, too few people seem to be able to accept that fact as a basis for constructive action.

Too few people seem to understand that the world has changed radically in the last ten years and that it is going to take tremendous discipline, sacrifice, co-operation and effort to pull out of our internal difficulties, and to deal with that new world which is out there.

For example, there is deep confusion, anxiety and concern about the role of the IMF. Why is it here? What part does it play? As I explained earlier, we are applying for a waiver under the existing IMF programme and in due course, would be expected to negotiate a new programme of action as part of a new basic agreement with the IMF.

I do not believe that Jamaica should move from the stage of the waiver to the stage of a new programme until it has settled this question of its economic strategy. You will recall that I explained before, the difference between these two stages of--"waiver" and "new basic agreement".

Needs To Settle

I believe that the country needs to settle and decide its economic strategy and that when that is settled, it will be easy to understand what part the IMF should play; or whether it should play any part at all. What must be brought to an end is the present state of confusion because the country has to settle down on a path and understand the efforts, the discipline and the sacrifices that are necessary to that struggle.

Once the path is settled, there is a chance that everything else will fall into place. In fact, we in the Peoples' National Party are going to re-examine this question of economic strategy and path starting immediately.

Election Soon

Because of my conviction that this is what is necessary and in the interest of the country, I wish to announce that as soon as the electoral committee, on which both parties are represented, is able to advise me that an appropriate new electoral system is in place, I shall call a new election.

I want to be quite specific. I mean that upon the day on which they certify to me that the new system is ready, I shall announce nomination day and the date of the election, with both being as soon as is reasonable.

I am going to invite the opposition to meet the government, if possible, this week-- to discuss what steps can be taken to get the new system in place as quickly as possible consistent with the improvements which are felt to be necessary.

As Quick As Possible

I am going to ask the chairman and independent members to proceed with the exercise as quickly as possible. The representatives of the PNP on the committee will be available to sit on a daily basis, if necessary. I will ask the opposition to co-operate similarly.

The government will not go further than the stage of the IMF waiver application because we feel that fundamental questions about the future must be settled first. Consequently, we will not introduce a full budget at the usual time this year but will provide for a holding budget to keep things going until the election can be held.

On the advice available to me, I believe that we can complete the necessary steps to hold an election under the new system by October. It is unfortunate that the time is so long because there is much to be done in the economy and the sooner we settle a clear, national line of action based upon serious decisions, the better for everybody. On the other hand, we have to allow the time for electoral reform because it is vital that everybody should accept the results of this election and unite around a course of action chosen by the majority of the people.

Urgency

Meantime, the government will continue to carry out its tasks firmly and with energy. We will be pressing on with urgent developments in agriculture, bauxite, tourism and other areas of the economy.

As a consequence of this course of action it will not be possible to finalize constitutional change until after the election. One would not normally do this, but I think that the national priorities are clear. I am sure that the government and the opposition will be able to work out a sensible solution to this problem in the course of the discussions about the preparation for the new elections.

Co-operation

As we prepare for a new election certain things will be very important:

Firstly, it is important for the country to be united in support of the application for the IMF waiver without the $50 million of cuts which would mean such hardship and suffering for so many people.

Secondly, it is important for everyone to co-operate and show discipline and good sense in the national interest, particularly, at this time of great national difficulty; and particularly when the country will need to weigh the choices for the future with extreme care.

Thirdly, it is most important that the political parties should address the question of economic strategy including questions like the role of the IMF so that the people can understand the real issues and make a real choice.

I am well aware that I have the right under the constitution to treat the date of the election as a close secret to be sprung upon the country without prior notice. But I do not believe that this is a time for clever tactics. I think the country needs to know that the hour of decision is coming--allowing full time for serious national debate and consideration of alternatives.

Unity is Vital

No country can achieve greatness without a clear path. Even more so, no country can overcome crisis without a clear path. Only the earliest possible election can settle the path. We of the peoples national party are prepared to face the test and we will propose our path in good time. Every patriotic Jamaican of whatever party or whatever walk of life has a clear duty to help us reach the hour of decision as quickly as possible, as calmly as possible, applying their best judgment to the great challenges of the future. Above all, we must decide how to unite the nation upon a basis of a clear choice by the majority and go forward together as one people. Good night and may God bless you all.

EXPORTERS CONCERNED ABOUT IMPORT LICENSES

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[Text] The Jamaica Exporters' Association has expressed concern that failure by the government to issue import licences could cripple Jamaica's foreign exchange earnings for 1980. The association has also questioned the current official policy of insisting that exporters must obtain 365-day credit terms as a condition of receiving licences.

Mr. Prakash Vaswani, J.E.A. president, said yesterday: "It is time that we ask government to tell us what is the position on the issuing of licences. J.E.A. members, who are said by government to deserve the highest possible priority, are not getting their licences and are therefore not able to fulfill the substantial number of orders they are now holding." Mr. Vaswani said that the present system of insisting on 365 days' credit and the holding up of payment of debts owing to suppliers for past due bills is crippling the ability of exporters to maintain their sources of raw materials. "The insistence that funds be placed on deposit by exporters makes it impossible for this sector to have any hope of growth. It is only by earning foreign exchange that Jamaica's import needs, debt servicing, and any other foreign exchange obligations can be met", he said.

"The accent must be on earning--not borrowing. Certified exporters should not be put on the deposit scheme but should be enabled to pay their bills and given realistic payment schedules."

Mr. Vaswani said not even the export development fund can finance half of the exporters' foreign exchange needs, so if government was as serious as it said it was about expanding export performance it must work out a programme with the International Monetary Fund to enable the earners of foreign exchange to enjoy freedom to increase their foreign exchange earnings and therefore increase the size of the foreign-exchange pool available to the economy. "If the present policy of lumping all foreign-exchange payment demands together is continued, exporters who are earners will be prevented from performing and the country will have no chance of maintaining its present level of earnings, let alone hoping to expand those earnings," Mr. Vaswani said.